



Iowa Department of Human Services

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Director

INFORMATIONAL LETTER NO.1721-FFS

DATE: September 14, 2016

TO: All Rebase and Out-of-State Iowa Medicaid Hospitals (excluding Critical Access Hospitals)

APPLIES TO: Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Implementation and Reprocessing of Inpatient Hospital Rebase and Recalibration and Outpatient Hospital Rebase

EFFECTIVE: Immediately

The Centers for Medicare and Medicaid Services (CMS) approved the State Plan Amendments (SPA) corresponding to the inpatient hospital rebase and recalibration effective October 1, 2015, and outpatient hospital rebase effective January 1, 2015. The IME claims processing system has been updated with the rebase amounts. The [diagnosis-related group \(DRG\) weight table](#)¹ is posted on the [DHS web page](#)².

Iowa Hospitals that had provider-specific rates calculated were provided with the cost allocation workpapers, base rate amounts, and cost-to-charge ratios. Out-of-state hospitals that did not have a Fiscal Year (FY) 2013 Medicare and Medicaid cost report on file with the IME received the state-wide averages for hospitals not participating in the hospital health care access assessment program:

- Inpatient hospital base rate - \$5,044.50
- Inpatient hospital cost-to-charge ratio – 0.3305
- Outpatient hospital base rate - \$71.61
- Outpatient hospital cost-to-charge ratio – 0.25

The statewide average base rate amounts for a hospital participating in the hospital health care access assessment program is:

- Inpatient hospital base rate: \$6,132.15
- Outpatient hospital base rate: \$84.07

Based on discussions with the IME claims processing unit, the inpatient hospital reprocessing will occur within the next two weeks and due to high claim volume, the outpatient reprocessing will occur over several weeks in October and November 2016.

If you have any questions, please contact IME Provider Cost Audit at 1-866-863-8610 or email at costaudit@dhs.state.ia.us.

¹ https://dhs.iowa.gov/sites/default/files/MS-DRG_V_33.0_Weights.pdf

² <http://dhs.iowa.gov/ime/providers/csrp>